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OFFICE OF THE LEGISLATIVE AUDITOR
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AUDIT OF
U.S. BUREAU OF OUTDOOR RECREATION GRANTS TO THE
STATE OF MONTANA, DEPARTMENT OF FISH AND GAME
HELENA, MONTANA
PERIOD
APRIL 1, 1973 THROUGH JUNE 30, 1977

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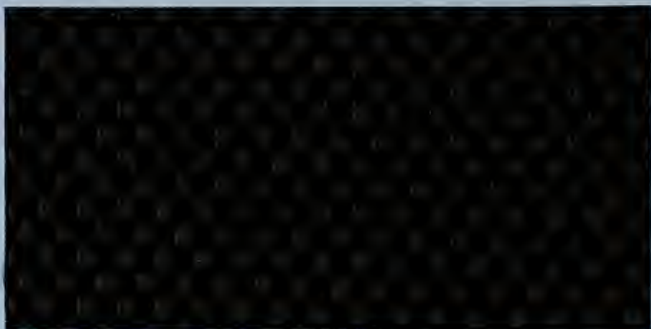


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U.S. BUREAU OF OUTDOOR RECREATION GRANTS TO THE
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STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59601
406/449-3122



MORRIS L. BRUSETT
LEGISLATIVE AUDITOR

DEPUTY LEGISLATIVE AUDITORS:

JOSEPH J. CALNAN
ADMINISTRATION AND
PROGRAM AUDITS

ELLEN FEAVER
FINANCIAL-COMPLIANCE AND
CONTRACTED AUDITS

STAFF LEGAL COUNSEL
JOHN W. NORTHEY

March 31, 1978

Director, Bureau of Outdoor Recreation
U. S. Department of the Interior
Washington, D. C. 20240

Through: Regional Audit Manager, Western Region,
Office of Audit and Investigation,
U.S. Department of the Interior

Dear Sir:

Enclosed is our report resulting from our audit of costs claimed from April 1, 1973 through June 30, 1977, by the Montana Department of Fish and Game under Land and Water Conservation Fund grant agreements with the Bureau of Outdoor Recreation.

Costs of \$17,310,077 were claimed for projects completed or in progress during this period.

Our report recommends net adjustments of \$13,323 to costs claimed during this period.

There are no recommended adjustments pending from prior audits.

If further information is needed concerning this report, please contact us through the Regional Audit Manager, Department of the Interior.

Sincerely,

Morris L. Bruset

Morris L. Bruset, C.P.A.
Legislative Auditor



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STATE OF MONTANA

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MORRIS L. BRUSETT
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Bureau of Outdoor Recreation,
U.S. Department of the Interior:

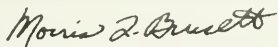
We have examined the Statement of Project Costs of the Montana Department of Fish and Game covering the period April 1, 1973 to June 30, 1977. Our examination was made in accordance with the standards for audit of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States, as they apply to financial and compliance examinations and, accordingly, included such tests of the accounting records and other data, and such other auditing procedures as we considered necessary in the circumstances. We also used the "Audit Guide for Bureau of Outdoor Recreation Grant Program" issued by the Office of Audit and Investigation, U.S. Department of the Interior.

As part of our examination the allowability of costs charged against the project was considered in terms of the provisions of the grant. A discussion of our recommended cost adjustments appears on pages 7-10 of this report. However, the final determination of whether such costs will be disallowed is to be made by the Bureau of Outdoor Recreation.

In our opinion, the accompanying Statement of Project Costs, subject to the recommended adjustments set forth therein, presents fairly the grant costs claimed by the Montana Department of Fish and Game during

the period April 1, 1973 to June 30, 1977, in accordance with generally accepted accounting principles and the financial provisions of the grant agreements.

Respectfully submitted,

A handwritten signature in cursive script, reading "Morris L. Brusett".

Morris L. Brusett, C.P.A.
Legislative Auditor

January 31, 1978

INTRODUCTION

The Department of Fish and Game administered projects under contract with the Bureau of Outdoor Recreation during the period April 1, 1973 through June 30, 1977. The agreements were made under the Land and Water Conservation Fund Act of 1965, Public Law 88-578.

Our audit was completed in January 1978 and was made to express an opinion on the fairness of the grantee's statement of project costs applicable to the period under review and included an examination of costs claimed on the projects listed in Exhibit I. A financial summary of audit coverage follows:

Approved grant agreements (171 projects)	<u>\$21,664,260</u>
Audited costs:	
Prior audit	\$ 1,359,311
Current audit	<u>17,310,077</u>
	18,669,388
Less recommended cost adjustments:	
Prior audit	-0-
Current audit	<u>\$13,323</u>
	<u>13,323</u>
Audited costs recommended for acceptance	<u>\$18,656,065</u>
Federal share of costs recommended for acceptance	<u>\$ 9,328,033</u>

We audited claimed costs under each project because the grantee's accounting system did not separately account for accrued or incurred project costs. We discuss the accounting system further on page 13.

In addition, we have reviewed the grantee's system of internal control and compliance with provisions of the grant in connection with our examination of the statement of project costs. Our report thereon appears on pages 12-13 of this report.

EXHIBIT I

Department of Fish and Game
Bureau of Outdoor Recreation (FOR)
Statement of Project Costs
for the period April 1, 1973 through June 30, 1977

Grant Agreement	Total Project Budget	Grantee Cash Disbursements	Indirect Costs	Total This Audit	Total Prior Audit	Cumulative Total	Recommended Adjustments	Audited Costs Recommended for Acceptance	Federal Share of Costs Recommended for Acceptance	Page Reference
30-00083F	\$ 80,000	\$ 48,300	\$ 2,222	\$ 50,522	\$ 24,424	\$ 74,946	\$ -0-	\$ 74,946	\$ 37,473	
30-00089F	129,335	-0-	-0-	-0-	129,284	129,284	-0-	129,284	64,642	
30-00098F	7,060	1,395	64	1,459	2,445	3,904	-0-	3,904	1,952	
30-00099F	57,530	8,999	(56)	8,943	21,025	29,968	-0-	29,968	14,984	
30-00107F	10,830	586	27	613	10,217	10,830	-0-	10,830	5,415	
30-00113F	330,989	85,478	2,564	88,042	242,947	330,989	-0-	330,989	165,494	
30-00130F	9,785	8,814	264	9,078	-0-	9,078	-0-	9,078	4,539	
30-00133F	100,930	-0-	-0-	-0-	100,018	100,018	-0-	100,018	50,009	
30-00135F	37,698	299	9	308	23,154	23,462	-0-	23,462	11,731	
30-00137F	169,968	95,348	2,860	98,208	51,760	149,968	-0-	149,968	74,984	
30-00139F	52,590	5,812	192	4,004	47,904	51,908	-0-	51,908	25,954	
30-00142F	107,214	-0-	-0-	-0-	106,169	106,169	-0-	106,169	53,084	
30-00144F	104,588	30,835	3,687	36,522	56,503	91,025	14	91,011	45,506	
30-00147F	66,900	17,892	360	18,252	12,738	30,990	-0-	30,990	15,495	
30-00148F	3,399	3,250	65	3,315	-0-	3,315	-0-	3,315	1,657	
30-00153F	38,180	9,999	250	10,249	10,166	20,415	-0-	20,415	10,207	
30-00158F	43,800	12,897	514	13,411	25,393	38,804	-0-	38,804	19,402	
30-00159F	70,080	41,694	1,180	42,874	22,076	64,950	-0-	64,950	32,473	
30-00163F	11,067	9,049	284	9,333	-0-	9,333	-0-	9,333	4,666	
30-00164F	49,440	44,919	914	45,833	-0-	45,833	-0-	45,833	22,916	
30-00165F	14,235	-0-	-0-	-0-	2,841	2,841	-0-	2,841	1,420	
30-00171F	219,516	170,252	3,554	173,806	37,347	211,153	-0-	211,153	105,576	
30-00174F	74,022	6,434	97	6,531	66,560	73,091	-0-	73,091	36,545	
30-00175F	13,140	5,811	153	5,964	3,623	9,587	-0-	9,587	4,793	
30-00177F	46,110	39,880	1,165	41,045	2,552	43,597	-0-	43,597	21,798	
30-00179	14,570	7,238	164	7,402	2,223	9,625	-0-	9,625	4,812	
30-00180F	21,646	15,449	629	16,078	-0-	16,078	-0-	16,078	8,039	
30-00183F	9,048	8,832	216	9,048	-0-	9,048	-0-	9,048	4,524	
30-00186F	10,950	5,199	104	5,303	-0-	5,303	-0-	5,303	2,651	
30-00191F	65,700	47,663	1,767	49,430	887	50,317	-0-	50,317	25,158	
30-00193F	73,960	72,360	1,600	73,960	-0-	73,960	-0-	73,960	36,980	
30-00194F	135,360	14,044	401	14,445	116,403	130,848	-0-	130,848	65,424	
30-00195	37,230	25,833	1,371	27,204	-0-	27,204	-0-	27,204	13,602	
30-00196	21,140	4,601	167	4,768	2,518	7,286	-0-	7,286	3,643	

Department of Fish and Game
Bureau of Outdoor Recreation (FOR)
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		Grantee Cash Disbursements	Indirect Costs	Total This Audit	Total Prior Audit				
* 30-00198F	\$ 94,859	\$ 90,175	\$ 4,684	\$ 94,859	\$ -0-	\$ -0-	\$ 94,859	\$ 47,429	
30-00200F	24,090	14,959	452	15,411	8,679	-0-	24,090	12,045	
30-00201F	112,498	110,058	2,440	112,498	-0-	-0-	112,498	56,249	
* 30-00202F	52,560	31,770	801	32,571	6,231	-0-	38,802	19,401	7
30-00206F	97,960	91,214	2,423	93,637	-0-	-0-	93,620	46,810	
30-00208F	30,125	28,425	927	29,352	-0-	-0-	29,352	14,676	
30-00209F	43,865	-0-	-0-	-0-	38,101	-0-	38,101	19,050	
30-00210F	165,345	-0-	-0-	-0-	157,288	-0-	157,288	78,644	
30-00211F	14,855	13,926	330	14,256	-0-	-0-	14,256	7,128	
* 30-00213F	197,100	175,407	5,107	180,514	-0-	-0-	180,514	90,257	
30-00214	116,878	107,417	3,027	110,444	-0-	-0-	110,385	55,192	9
30-00215	736,044	482,140	7,232	489,372	-0-	-0-	489,372	244,686	
30-00217F	21,352	-0-	-0-	-0-	20,118	-0-	20,118	10,059	
30-00221F	36,968	36,037	931	36,968	-0-	-0-	36,968	18,484	
30-00222F	7,684	7,249	233	7,482	-0-	-0-	7,482	3,741	
* 30-00225F	277,059	263,055	6,287	269,342	7,717	-0-	276,988	138,494	7
30-00229F	40,015	36,874	956	37,830	-0-	-0-	37,830	18,915	
30-00230F	42,400	39,318	864	40,182	-0-	-0-	39,094	19,547	7, 8
30-00233F	15,000	12,600	399	12,999	-0-	-0-	12,999	6,500	
30-00236F	12,000	7,860	173	8,033	-0-	-0-	8,033	4,017	
* 30-00235	70,000	33,624	686	34,110	-0-	-0-	34,110	17,055	
* 30-00236F	111,300	109,087	2,213	111,300	-0-	-0-	111,300	55,650	
30-00237	165,000	149,221	2,984	152,205	-0-	-0-	152,205	76,103	
30-00238	70,000	52,512	1,050	53,562	-0-	-0-	53,562	26,781	
30-00241	28,100	7,713	164	7,877	-0-	-0-	7,877	3,939	
30-00242F	34,000	22,205	489	22,694	-0-	-0-	22,694	11,347	
30-00245F	13,780	10,171	153	10,324	-0-	-0-	10,324	5,162	
30-00246	21,200	16,921	315	17,236	-0-	-0-	17,236	8,618	
30-00247	21,200	19,540	407	19,947	-0-	-0-	19,947	9,974	
30-00251	52,044	30,938	728	31,666	-0-	-0-	31,666	15,833	
* 30-00253F	365,671	356,285	9,386	365,671	-0-	-0-	365,671	182,836	
30-00254F	225,935	219,421	6,514	225,935	-0-	-0-	225,935	112,968	
* 30-00255F	340,260	324,152	9,355	333,507	-0-	-0-	333,507	166,754	
30-00258	127,200	27,216	452	27,668	-0-	-0-	27,668	13,834	

Department of Fish and Game
Bureau of Outdoor Recreation (FOR)
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		Grantee Disbursements	Cash	Indirect Costs	Total This Audit						
30-00260	\$ 113,506	\$ 82,890		\$ 1,915	\$ 84,805	\$ -0-	\$ 84,805	\$ -0-	\$ 84,805	\$ 42,403	
* 30-00261	22,226	591		22,817	22,817	-0-	22,817	-0-	22,817	11,409	
* 30-00262	35,000	16,316		359	16,675	-0-	16,675	-0-	16,675	8,338	
30-00263	100,000	56,797		1,249	58,046	-0-	58,046	-0-	58,046	29,023	
30-00265F	16,000	12,946		295	13,241	-0-	13,241	-0-	13,241	6,621	
30-00266	57,240	51,668		1,367	53,035	-0-	53,035	-0-	53,035	26,517	
30-00267F	50,000	47,867		1,964	48,831	-0-	48,831	-0-	48,831	24,416	
30-00268	98,056	91,390		1,786	93,176	-0-	93,176	-0-	93,176	46,588	
30-00269	80,000	26,938		526	27,474	-0-	27,474	-0-	27,474	13,737	
30-00270F	6,000	3,479		77	3,556	-0-	3,556	-0-	3,556	1,778	
30-00271	34,000	22,068		478	22,526	-0-	22,526	-0-	22,526	11,263	
30-00272	543,068	500,888		12,746	513,634	-0-	513,634	-0-	513,634	256,817	
30-00273	166,560	160,000		3,360	163,360	-0-	163,360	-0-	163,360	81,680	
30-00274F	337,708	330,278		7,429	337,707	-0-	337,707	-0-	337,707	178,894	
30-00275	68,900	49,701		1,383	51,084	-0-	51,084	-0-	51,084	23,582	
30-00277F	45,580	38,240		1,170	39,410	-0-	39,410	-0-	39,410	19,705	
* 30-00278	233,357	190,000		3,800	193,800	-0-	193,800	-0-	193,800	96,900	
30-00279F	20,000	16,006		325	16,331	-0-	16,331	-0-	16,331	8,166	
30-00280F	184,708	179,892		4,816	184,708	-0-	184,708	-0-	184,708	92,354	
30-00282F	53,000	40,741		831	41,572	-0-	41,572	-0-	41,572	20,786	
30-00283	23,850	16,172		323	16,495	-0-	16,495	-0-	16,495	8,248	
30-00284	50,985	16,446		329	16,775	-0-	16,775	-0-	16,775	8,388	
30-00286	31,800	25,048		376	25,424	-0-	25,424	-0-	25,424	12,712	
30-00287	62,212	48,882		958	49,840	-0-	49,840	-0-	49,840	24,920	
30-00288F	24,000	19,754		398	20,152	-0-	20,152	-0-	20,152	10,076	
30-00289	493,665	458,885		9,604	468,489	-0-	468,489	-0-	468,489	234,244	
* 30-00290F	9,150	8,953		197	9,150	-0-	9,150	-0-	9,150	4,575	
30-00291F	14,159	13,879		280	14,159	-0-	14,159	52	14,107	7,053	
30-00292F	24,000	19,596		392	19,988	-0-	19,988	-0-	19,988	9,994	
30-00293	801,270	748,152		13,151	761,303	-0-	761,303	-0-	761,303	380,651	
30-00294F	62,600	62,565		1,035	63,600	-0-	63,600	-0-	63,600	31,800	
30-00295	127,200	104,542		2,182	106,724	-0-	106,724	-0-	106,724	53,362	
30-00296	330,500	307,362		6,656	313,818	-0-	313,818	-0-	313,818	156,909	
30-00297F	25,042	24,311		486	24,799	-0-	24,799	-0-	24,799	12,399	

Department of Fish and Game
Bureau of Outdoor Recreation (FOR)
Statement of Project Costs
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Grant Agreement	Total Project Budget	Total Costs Recorded and Claimed				Recommended Adjustments	Audited Costs Recommended for Acceptance	Federal Share of Costs Recommended for Acceptance	Page Reference
		Grantee Cash Disbursements	Indirect Costs	Total This Audit	Total Prior Audit				
30-00298	\$ 217,307	\$ 180,489	\$ 3,970	\$ 184,459	\$ -0-	\$ -0-	\$ 184,459	\$ 92,233	
30-00299	1,526,865	1,463,901	31,505	1,495,406	-0-	-0-	1,495,406	747,703	
30-00300	682,797	629,763	13,211	643,174	-0-	-0-	643,174	321,587	
30-00301	94,493	87,837	1,802	89,639	-0-	-0-	89,639	44,820	
30-00302F	12,720	10,108	202	10,310	-0-	-0-	10,310	5,155	
30-00303F	43,113	5,989	123	6,112	-0-	-0-	6,112	3,056	
* 30-00304	43,441	40,375	887	41,262	-0-	-0-	41,262	20,631	
30-00305F	6,785	6,642	142	6,784	-0-	-0-	6,784	3,392	
30-00306	300,000	275,090	5,791	280,881	-0-	-0-	280,881	140,441	
30-00307F	215,319	210,792	4,526	215,318	-0-	-0-	215,318	107,659	
30-00308	12,360	5,360	118	5,478	-0-	-0-	5,478	2,739	
30-00309F	60,763	59,455	1,308	60,763	-0-	-0-	60,763	30,382	
30-00310	36,150	16,200	356	16,556	-0-	-0-	16,556	8,278	
30-00313F	30,900	25,179	554	25,733	-0-	-0-	25,733	12,867	
30-00314	27,810	11,406	251	11,657	-0-	-0-	11,657	5,829	
30-00315	30,000	26,950	593	27,543	-0-	-0-	27,543	13,772	
30-00316F	20,638	19,607	431	20,038	-0-	-0-	20,038	10,019	
30-00317	20,000	18,715	292	19,007	-0-	-0-	19,007	9,503	
30-00318F	2,963,800	2,900,000	63,800	2,963,800	-0-	11,955	2,951,845	1,475,922	9
30-00319	1,053,234	941,678	15,946	957,624	-0-	-0-	957,624	478,812	
30-00323F	4,000	2,969	45	3,014	-0-	-0-	3,014	1,507	
30-00324	16,870	14,633	322	14,955	-0-	-0-	14,955	7,478	
30-00325	166,586	154,794	2,443	157,237	-0-	-0-	157,237	78,619	
30-00326	12,000	2,164	48	2,212	-0-	-0-	2,212	1,106	
30-00327F	40,146	39,553	593	40,146	-0-	-0-	40,146	20,073	
30-00328	20,000	4,438	88	4,526	-0-	-0-	4,526	2,263	
30-00329	25,000	7,231	159	7,390	-0-	-0-	7,390	3,695	
30-00330	110,000	24,323	471	24,794	-0-	-0-	24,794	12,397	
30-003334	70,000	11,756	176	11,930	-0-	-0-	11,930	5,965	
30-00335F	79,310	76,825	1,691	78,536	-0-	-0-	78,536	39,268	
30-00336	41,200	22,392	360	22,752	-0-	-0-	22,752	11,376	
30-00337	100,000	93,596	1,427	95,023	-0-	-0-	95,023	47,511	
30-00338	628,303	517,117	11,377	528,494	-0-	-0-	528,494	264,247	
* 30-00339F	45,970	44,980	990	45,970	-0-	-0-	45,970	22,985	
30-00340	12,360	11,400	188	11,588	-0-	-0-	11,588	5,794	
30-00342	25,000	4,596	101	4,697	-0-	-0-	4,697	2,348	

Department of Fish and Game
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Grant Agreement	Total Project Budget	Total Costs Recorded and Claimed				Total	Cumulative Total	Recommended Adjustments	Audited Costs Recommended for Acceptance	Federal Share of Costs Recommended for Acceptance	Page Reference
		Grantee Disbursements	Indirect Costs	Total This Audit	Total Prior Audit						
30-00343	32,000	\$ 1,287	\$ 28	\$ 1,315	\$ -0-	\$ 1,315	\$ -0-	\$ -0-	\$ 1,315	\$ 657	
30-00344	14,000	5,280	116	5,396	-0-	5,396	-0-	-0-	5,396	2,698	
30-00346F	6,368	6,231	137	6,368	-0-	6,368	-0-	-0-	6,368	3,184	
30-00347	20,000	17,014	374	17,388	-0-	17,388	-0-	-0-	17,388	8,694	
30-00348	20,000	18,591	409	19,000	-0-	19,000	-0-	-0-	19,000	9,500	
30-00349	20,440	8,273	182	8,455	-0-	8,455	-0-	-0-	8,455	4,228	
* 30-00350	103,020	97,998	1,276	99,274	-0-	99,274	-0-	-0-	99,274	29,637	
30-00351	352,590	325,895	7,170	333,065	-0-	333,065	-0-	-0-	333,065	166,533	
30-00352	40,500	32,913	724	33,637	-0-	33,637	-0-	-0-	33,637	16,819	
30-00353	337,782	146,698	2,200	148,898	-0-	148,898	-0-	-0-	148,898	76,449	
30-00355	537,594	349,995	7,700	357,695	-0-	357,695	-0-	67	357,638	178,814	9
30-00356	102,200	7,979	120	8,099	-0-	8,099	-0-	-0-	8,099	4,050	
30-00357F	10,220	9,953	149	10,102	-0-	10,102	-0-	-0-	10,102	5,051	
30-00358	6,130	4,261	94	4,355	-0-	4,355	-0-	-0-	4,355	2,177	
30-00359	30,000	11,523	197	11,720	-0-	11,720	-0-	-0-	11,720	5,860	
30-00360F	21,973	17,916	394	18,310	-0-	18,310	-0-	-0-	18,310	9,155	
30-00361F	9,259	9,122	137	9,259	-0-	9,259	-0-	-0-	9,259	4,629	
30-00362	15,900	3,655	55	3,710	-0-	3,710	-0-	-0-	3,710	1,855	
30-00363	7,154	4,409	66	4,475	-0-	4,475	-0-	-0-	4,475	2,237	
30-00364	10,220	4,306	65	4,371	-0-	4,371	-0-	-0-	4,371	2,185	
30-00367F	1,534	1,500	23	1,523	-0-	1,523	-0-	-0-	1,523	761	
* 30-00369	25,550	3,688	55	3,743	-0-	3,743	-0-	-0-	3,743	1,871	
30-00371	24,020	6,773	102	6,875	-0-	6,875	-0-	-0-	6,875	3,437	
30-00373	25,892	24,235	363	24,598	-0-	24,598	-0-	-0-	24,598	12,299	
30-00375F	16,352	15,000	225	15,225	-0-	15,225	-0-	-0-	15,225	7,613	
30-00377	13,286	8,200	123	8,323	-0-	8,323	-0-	-0-	8,323	4,161	
30-00378	117,530	13,322	293	13,615	-0-	13,615	-0-	-0-	13,615	6,807	
30-00379	214,691	103,875	2,285	106,160	-0-	106,160	-0-	-0-	106,160	53,080	
30-00380	22,777	13,090	288	13,378	-0-	13,378	-0-	-0-	13,378	6,689	
30-00382	136,145	74,340	1,635	75,975	-0-	75,975	-0-	-0-	75,975	37,987	
30-00383	199,080	10,697	235	10,932	-0-	10,932	-0-	-0-	10,932	5,466	
30-00405	19,790	14,359	215	14,574	-0-	14,574	-0-	-0-	14,574	7,287	
30-00406F	25,550	25,000	550	25,550	-0-	25,550	-0-	-0-	25,550	12,775	
	<u>\$21,664,260</u>	<u>\$16,935,021</u>	<u>\$375,056</u>	<u>\$17,310,077</u>	<u>\$1,359,311</u>	<u>\$18,669,388</u>	<u>\$ 13,323</u>		<u>\$18,656,065</u>	<u>\$9,328,033</u>	

F=Final

*These project sites were visited as part of our audit; see page 21.

1 Includes \$1,349 of costs questioned during the prior audit which were restored by the Grantor.

RECOMMENDED ADJUSTMENTS

We are recommending adjustments totaling \$13,323 for six projects applicable to the period covered by the current audit.

The recommended adjustments, discussed under the following sub-captions are summarized as follows:

<u>Project Number</u>	<u>Recommended Adjustment</u>
30-00144	\$ 14
30-00206	17
30-00214	59
30-00225	71
30-00230	1,088
30-00291	52
30-00318	11,955
30-00355	67
	<u>\$13,323</u>

Excessive Extended Payroll Costs

The Department of Fish and Game charged excessive payroll costs to five Bureau of Outdoor Recreation projects during the period July 1, 1973 to September 30, 1973. The department calculates total payroll costs by applying a conversion factor to gross pay. This factor is designed to include the employer payroll and benefit expenses in the payroll expenses charged to each project. The department changed the computer software which calculated extended payroll costs, resulting in the use of a new conversion rate. The payroll amounts were extended by 177%, an estimated rate, until a study of the rate was completed. After the study, the department determined that the rates should be 127.26%. This rate was not applied retroactively to projects for which costs were submitted for reimbursement to the Bureau of Outdoor Recreation during the period July 1, 1973 to September 30, 1973. Accordingly, we recommend adjustments totaling \$173 to claimed costs on five projects, determined as follows:

<u>Project Agreement</u>	<u>Payroll Amount</u>	<u>Estimated Conversion Rate</u>	<u>Amount Billed by DFG</u>	<u>Approved Conversion Rate</u>	<u>Extended Amount</u>	<u>Recommended Adjustment</u>
30-00144	\$ 27.61	177%	\$ 48.87	127.26%	\$ 35.16	\$ 13.71
30-00206	34.26	177%	60.61	127.26%	43.60	17.01
30-00225	143.06	177%	253.10	127.26%	182.06	71.04
30-00230	40.11	177%	70.96	127.26%	51.04	19.92
30-00291	103.81		183.64		132.11	51.53
	<u>\$348.85</u>		<u>\$617.18</u>		<u>\$443.97</u>	<u>\$173.21</u>

It is likely that the department made similar excessive billings on other Bureau of Outdoor Recreation projects not included in our testing.

RECOMMENDATION

We recommend that the Department of Fish and Game calculate the total amount overbilled to the Bureau of Outdoor Recreation on the extended payroll for the period July 1, 1973 to September 30, 1973 and deduct this amount from future requests for reimbursement.

Costs Incurred Prior to Effective Date of Project

The Department of Fish and Game charged costs to project 30-00230, which were incurred prior to the effective date of the project agreement, but those costs were not approved as preagreement costs. Accordingly, we recommend for adjustment costs amounting to \$1,008 plus applicable indirect costs of \$60 as follows:

<u>Billing Number</u>	<u>Overcharged Direct Costs</u>	<u>Applicable Indirect Costs</u>		<u>Total Questioned</u>
		<u>Rate</u>	<u>Amount</u>	
1	\$ 987.32	6%	\$59.24	\$1046.56
2	20.40	6%	.65	21.05
	<u>\$1007.72</u>		<u>\$59.89</u>	<u>\$1067.61</u>

The Land and Water Conservation Fund Grant Manual (Sections 70.1.2 and 670.1.3B(2)) provide that to be eligible for matching assistance, costs must have been incurred within the project period or be recognized as preagreement costs in the project agreement.

RECOMMENDATION

We recommend that the department make cost adjustments for \$1,067.61 claimed outside the project period on project 30-00230.

Program Income During Project Period

Project 30-00318

The Land and Water Conservation Fund Grant Manual (675.1.8) provides that income during the project period from sources other than the intended recreational use will be used to reduce the total cost of the project.

We are recommending an adjustment of \$11,955 for grazing lease income earned during the project period but not properly deducted from the total project cost or credited to reduce the cost of other Land and Water Conservation Fund assisted projects.

RECOMMENDATION

We recommend that the department make cost adjustments of \$11,955 for program income not credited to project 30-00318.

Overcharged Salaries and Fringe Benefits

Payroll costs are allocated to Bureau of Outdoor Recreation projects by charging direct costs for actual days worked on a project and extending this amount by a conversion factor for fringe benefits, including paid non-work days. Our audit disclosed that the department incorrectly allocated salaries on projects 30-00355, and 30-00214 by charging these projects direct costs for paid non-work days, in addition to charging a conversion factor for fringe benefits. Therefore, we recommend for adjustment salaries and fringe benefits totaling \$123 plus applicable indirect costs of \$3 as follows:

Project Number	Non-Workday Salaries Charged Direct	Salaries Conversion For		Subtotal	Applicable Indirect Costs		Total Recommended for Adjustment
		Fringe Rate	Benefits Amount		Rate	Amount	
30-00355	\$51.26	27.96%	\$14.33	\$ 65.59	2.2%	\$1.44	\$ 67.03
30-00214	45.26	27.96%	12.26	57.91	2.2%	1.27	59.18
	<u>\$96.52</u>		<u>\$26.59</u>	<u>\$123.50</u>		<u>\$2.73</u>	<u>\$126.21</u>

RECOMMENDATION

We recommend that the department make cost adjustments of \$126.21 resulting from overcharging salaries and fringe benefits to projects 30-00355 and 30-00214.

DISPOSITION OF PRIOR QUESTIONED COSTS

In the prior audit report dated February 25, 1976, the Office of Audit and Investigation, U.S. Department of the Interior, questioned the following costs:

<u>Project</u>	<u>Amount</u>	<u>Reason</u>
30-00089	\$ 51.62	Overcharged salaries and employee benefits
30-00142	76.24	Same
30-00209	107.74	Same
30-00210	164.63	Same
30-00209	66.38	Overcharged mileage costs
30-00210	127.70	Same
30-00210	1,349.00	Excessive preagreement planning costs
30-00133	912.00	Excessive indirect costs
30-00217	<u>552.00</u>	Same
Total Questioned Costs	<u>\$3,407.31</u>	

The department credited the Bureau of Outdoor Recreation on another project for \$2058.31 as payback of costs questioned for salaries and employee benefits (\$400.23); overcharged mileage costs (\$194.08); and excessive indirect costs (\$1,464.00). Accordingly, these questioned costs have been resolved.

The department submitted an amendment on project 30-00210 to increase the allowable preplanning costs. This was approved by the Bureau of Outdoor Recreation, thus clearing the questioned \$1,349 in preplanning costs.

MANAGEMENT LETTER
GRANTEE'S SYSTEM OF INTERNAL CONTROLS

We have examined the Statement of Project Costs of the Montana Department of Fish and Game covering the period April 1, 1973 to June 30, 1977, and have issued our report thereon dated March 31, 1978. As a part of our examination, we reviewed and tested the grantee's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards.

Under these standards the purpose of such evaluation is to establish a basis for reliance thereon in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with

respect either to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the department's system of internal accounting control for the period April 1, 1973 to June 30, 1977, which was made for the purpose set forth in the first paragraph above, would not necessarily disclose all weaknesses in the system. However, such study and evaluation disclosed conditions that we believe to be material weaknesses in accounting for Bureau of Outdoor Recreation grants. These weaknesses are described on pages 17-20.

In addition, based on information obtained during our examination of the Statement of Project Costs, our comments regarding the grantee's compliance with regulations and provisions of the grant agreement which do not directly bear upon the Statement of Project Costs begin on page 15. It should be understood that our examination was directed primarily to the expression of our opinion on the accompanying Statement of Project Costs and cannot be relied upon to disclose all instances of noncompliance.

Grantee's Accounting System

The grantee's accounting system, the Statewide Budgeting and Accounting System (SBAS), does not account for all costs incurred by the Department of Fish and Game in accounting records which are the primary responsibility of the department. Costs associated with Bureau of Outdoor Recreation projects paid by the Department of Administration, Architecture and Engineering Division, are accounted for on Department of Administration SBAS

reports. The department should account for these costs as well as all other costs incurred by both the department and subgrantees on the Statewide Budgeting and Accounting System rather than manually accumulating project costs from several different sources. This accounting system weakness was disclosed in the previous audit report, and the accounting for Bureau of Outdoor Recreation (FOR) projects remains the same as previously reported.

We concluded that an audit of claimed costs and supporting data was appropriate under the circumstances.

The department accounts for project costs manually in individual project files consisting of a billing and a master file. The department also maintains a cardex system containing all FOR projects to date. These records serve as the general ledger for the projects. Billings are prepared for FOR reimbursement from the project files.

The department's accountability for FOR project costs would be improved if all department and subgrantee Bureau of Outdoor Recreation project costs were included by project on the Statewide Budgeting and Accounting System for the following reasons:

1. The department would have a permanent trail of all transactions for FOR projects.
2. Costs accrued and incurred would be accumulated instead of claimed costs.
3. The department would have increased assurance that all costs accrued and incurred are being claimed for reimbursement.
4. Billings could be prepared from SBAS.
5. The possibility of human error would decrease if costs were not required to be accumulated manually for Bureau of Outdoor Recreation projects.

6. The department would eliminate the internal control weakness associated with hand carrying source documents to data processing to sort out reimbursable data.

RECOMMENDATION

We recommend that the department account for all Bureau of Outdoor Recreation project costs on the Statewide Budgeting and Accounting System.

COMPLIANCE ISSUES

Improper Project Acknowledgement

The following projects did not have the proper Land and Water Conservation Fund assistance project acknowledgement signs:

30-00006	James Kipp Recreation Area
30-00101	Glasgow City Development Centennial Park
30-00213	Glasgow Pool and Bathhouse
30-00236	Sidney Pool Renovation
30-00261	Sidney Johnson Park Development
30-00144	Makoshika State Park Improvements
30-00066	Madison Buffalo Jump
30-00312	Billings South Park
30-00311	Billings Pioneer Park
30-00225	Giant Springs State Park
30-00369	Livingston Tennis Courts

The Land and Water Conservation Fund (LWCF) Grant Manual (685.4.1) provides that permanent public acknowledgement of LWCF assistance at project sites is required.

RECOMMENDATION

We recommend that the department require all project sponsors to post proper project acknowledgement signs.

Consideration for the Physically Handicapped

The following eight project sites did not consider use by the physically handicapped in the design of their restroom facilities:

30-00066	Madison Buffalo Jump
30-00027	Upper Carter Pond Fishing Access
30-00006	James Kipp Recreation Area
30-00290	Fort Peck Dredge Cuts Fishing Access
30-00144	Makoshika State Park Improvements
30-00209	Rosebud Recreation Area

Also project 30-00236, Sidney Pool Renovation and project 30-00278, Bozeman Municipal Swimming Pool at Bogart Park in Bozeman, did not have ramps for access to the pool area for the wheelchair handicapped.

The Land and Water Conservation Fund (LWCF) Grant Manual (640.3.4L) provides that facilities must be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by the Physically Handicapped," pursuant to the Architectural Barriers Act of 1968 (Public Law 90-480).

RECOMMENDATION

We recommend that the department require Land and Water Conservation Fund assisted projects be accessible to and usable by the physically handicapped.

OTHER ISSUES

Depreciation on Vehicles

The depreciation rate used for the department's vehicles is excessive, causing the book value on each vehicle to be lower than it should be. This results in the department significantly underestimating the trade-in value of their vehicles and projects being charged an incorrect amount for vehicle usage.

The following example illustrates this point.

Vehicle 2131	
Original cost	\$3,732.25
Total depreciation	<u>2,799.19</u>
Book value at trade-in	933.06
Trade-in given on new vehicle	<u>2,100.00</u>
Profit on trade-in	<u><u>\$1,166.94</u></u>

The Land and Water Conservation Fund Grant Manual (670.1.8D(1)(b)) provides that the initial depreciation rate may be derived from estimated costs, but these estimates must ultimately be adjusted to actual costs.

RECOMMENDATION

We recommend that the department adjust their present depreciation rates to more realistically consider trade-in values.

Replacement Differential Charge

The department's vehicle user charge rate includes a replacement differential charge. Bureau of Outdoor Recreation grant projects are charged a vehicle cost based on this rate for each mile the vehicle is used. This results in Bureau of Outdoor Recreation projects being charged for expenditures which are non-allowable under Federal regulations. On the above example for vehicle 2131, the total replacement differential charge was \$3,109.69 during the vehicle life. Therefore, the total profit on the vehicle was $\$1,166.94 + 3,109.69 = \$4,276.63$.

The Land and Water Conservation Fund Grant Manual (670.1.9) provides that charges for contingency reserves or other similar reserves shall not be included in the base for determining financial assistance.

RECOMMENDATION

We recommend that the department determine vehicle usage rates based upon actual acquisition and operating costs.

Extensive Subdivision of Cash Handling

The department receives large volumes of mail containing checks and cash. Currently, the mail clerk sorts and distributes all mail to the department section to which the mail is addressed. Each section opens and processes its own mail. For example, reimbursement checks and

checks received on the letter of credit go directly to the Parks Division and the person doing the Bureau of Outdoor Recreation billing. Because of this, there is an extensive subdivision of cash handling throughout the department.

Internal control over cash is stronger when fewer employees handle cash. The department should centralize the mail opening function. When the mail is opened, monetary items should be removed, listed and taken to the cashier. A notice of remittance could then be inserted in place of the cash and routed in the normal manner. The listing should then be compared to treasury deposits. This would significantly improve control of cash receipts.

RECOMMENDATION

We recommend that the department:

- 1. Centralize the mail opening function.*
- 2. Forward all checks and cash directly to the cashier.*

Payroll Time Records

Department employees prepare monthly time distribution reports to record hours worked by project. The reports are often prepared and signed by the employee in pencil. The central office payroll section uses these reports for accounting distribution of payroll expense to various projects.

Our audit of the department disclosed changes made to the reports after they reached the central office. Proper time records are the responsibility of department supervisors. Time records should not be approved until they are correctly and accurately completed.

RECOMMENDATION

We recommend that the department:

- 1. Require time records to be completed in ink.*
- 2. Prohibit changes being made to time records after they are submitted by employees.*

Limited Segregation of Duties

The payroll supervisor has the authority to add employees to the payroll and distribute paychecks to employees. These are incompatible functions; therefore, payroll warrants should be distributed by someone other than the payroll supervisor.

RECOMMENDATION

We recommend that someone other than the payroll supervisor distribute payroll warrants.

CETA Reimbursements

The department employed a number of individuals under the Concentrated Employment Training Act (CETA) program. These people are paid as part of the regular payroll. Periodically the department bills the Division of Employment Security, Montana Department of Labor and Industry, the CETA grantor, for payment of CETA employees' wages. When the reimbursement is received, the transaction is recorded as an expenditure abatement rather than as income. Due to this procedure, the department's expenditures and income are understated.

RECOMMENDATION

We recommend that the department record CETA reimbursements as income rather than as expenditure abatements.

Property Accounting

The department has not maintained non-expendable personal property records during fiscal years 1975-76 and 1976-77. The lack of property records represents a serious internal control weakness because the department cannot effectively control assets without current records of those assets. In addition, the department cannot comply with federal regulations for equipment purchased with federal funds without accurate property records.

A department official has advised us that the property system is currently being updated to correct this weakness.

PROJECT SITE VISITS

During our audit we visited 49 project sites:

<u>Project Number</u>	<u>Description</u>
30-00027	Upper Carter Pond Fishing Access
30-00006	James Kipp Recreation Area
30-00101	Glasgow City Development Centennial Park
30-00213	Glasgow Pool and Bathhouse
30-00290	Fort Peck Dredge Cuts Fishing Access
30-00236	Sidney Pool Renovation
30-00261	Sidney Johnson Park Development
30-00299H	Elk Island Recreation Area
30-00299F	Seven Sisters Recreation Area
30-00144	Makoshika State Park Improvements
30-00209	East & West Rosebud Recreation Area
30-00198	Forsyth Golf and Country Club
30-00028	Bozeman Kirk Park
30-00156	Bozeman Downtown Soroptomist Park
30-00262	Bogart Park Project
30-00333	Bogart Park Project
30-00278	Bozeman Municipal Swimming Pool
30-00331	Lindley Park Project
30-00171	Bozeman Recreation Complex
30-00395	Bozeman City/School Tennis Complex
30-00066	Madison Buffalo Jump
30-00199	Billings Softball Complex
30-00339	Billings - Stewart Park Lights
30-00127	Billings - Rose Park
30-00341	Billings - Par 3 Golf Course
30-00312	Billings - South Park
30-00311	Billings - Pioneer Park
30-00159	Spartan Park Added Development
30-00177	West Shore State Park Addition
30-00206	Frenchtown Pond Recreation Area
30-00225	Giant Springs State Park
30-00350	Whitefish Lake Recreation Area
30-00299.4	Nine Pipes Management Area
30-00381	Kokanee Bend Fishing Access
30-00299.13(m)	Kohrs Bend Fishing Access
30-00063	Missoula Swimming Pool
30-00259	Missoula - Washington Park Development
30-00372	Missoula - Playfair Park
30-00304	Bitterroot Lake Recreation Area
30-00125	Flathead Lake Recreation Area
30-00089	Elmo State Park
30-00094	Upper Northwest Fishing Accesses - Smith Lake
30-00142	Logan State Recreation Area
30-00169, 30-00243	Walstad Memorial Recreation Area
30-00299D	Ninepipes Fishing Access
30-00117	Chief Looking Glass Fishing Access
30-00252	Poker Joe's Fishing Access Site
30-00076	Florence Bridge Fishing Access
30-00369	Livingston Sacajawea Park Tennis Courts

The purpose of our visits was to test for compliance with respective project agreements and to determine if facilities were being adequately maintained. We visited projects constructed during the current audit period and projects constructed and finalized during previous audits.

Based on our observations and other audit procedures, the projects visited generally appeared to be in compliance with the project agreements except as noted in previous report sections.

FINAL COMMENTS

We have reviewed the comments and recommendations contained in this report with members of the Department of Fish and Game staff. The full text of the department's response to this report begins on page 24.

We wish to express our appreciation to the Director and his staff for cooperation and assistance during this audit.

EXHIBIT II

Summary of Approved Bureau of Outdoor Recreation Grants to the
State of Montana, Department of Fish and Game
Having No Disbursements from Inception
Through June 30, 1977

<u>Project Number</u>	<u>Total</u>	<u>Grantee Share</u>	<u>Federal Share</u>
30-00257	\$ 63,600	\$ 31,800	\$ 31,800
30-00285	25,440	12,720	12,720
30-00311	65,000	32,500	32,500
30-00312	50,000	25,000	25,000
30-00320	16,000	8,000	8,000
30-00321	10,000	5,000	5,000
30-00322	20,000	10,000	10,000
30-00331	37,492	18,746	18,746
30-00332	24,000	12,000	12,000
30-00333	177,160	88,580	88,580
30-00341	557,230	278,615	278,615
30-00345	12,000	6,000	6,000
30-00365	22,567	11,284	11,283
30-00366	6,132	3,066	3,066
30-00368	3,066	1,533	1,533
30-00370	7,740	3,870	3,870
30-00372	20,440	10,220	10,220
30-00374	6,710	3,355	3,355
30-00376	305,782	152,891	152,891
30-00381	39,449	19,724	19,725
30-00384	13,601	6,801	6,800
30-00385	60,900	30,450	30,450
30-00386	107,310	53,655	53,655
30-00387	40,600	20,300	20,300
30-00388	25,984	12,992	12,992
30-00389	151,235	75,617	75,618
30-00390	54,607	27,304	27,303
30-00391	13,196	6,598	6,598
30-00392	4,670	2,335	2,335
30-00393	21,316	10,658	10,658
30-00394	14,210	7,105	7,105
30-00395	119,770	59,885	59,885
30-00396	56,740	28,370	28,370
30-00397	20,300	10,150	10,150
30-00398	40,600	20,300	20,300
30-00399	39,590	19,795	19,795
30-00400	112,548	56,274	56,274
30-00401	36,346	18,173	18,173
30-00402	28,930	14,465	14,465
30-00403	4,060	2,030	2,030
30-00404	39,790	19,895	19,895
30-00407	990	495	495
30-00408	250,390	125,195	125,195
30-00409	21,315	10,657	10,658
	<u>\$2,748,806</u>	<u>\$1,374,403</u>	<u>\$1,374,403</u>

AGENCY REPLY

STATE OF MONTANA



DEPARTMENT OF

FISH AND GAME

March 23, 1978

RECEIVED

MAR 23 1978

MONTANA LEGISLATIVE AUDITOR

Mr. Morris L. Brusett
Legislative Auditor
State Capitol
Helena, Montana 59601

Dear Mr. Brusett:

The Department of Fish and Game has reviewed the audit report prepared by your office for Bureau of Outdoor Recreation Grants administered by this Department for the period April 1, 1973 through June 30, 1977.

Our response to specific recommendations is attached.

We thank you for this opportunity to respond to the recommendations and appreciate your staff's thorough financial review of this program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Orville W. Lewis".

Orville W. Lewis
Associate Director

OWL:LEP/bs

Enclosures

1. A. Recommendation:

We recommend that the Department of Fish and Game calculate the total amount overbilled to BOR on the extended payroll for the period July 1, 1973 to September 30, 1973 and deduct this amount from future requests for reimbursement.

B. Agree.

C. Corrective Action:

A recalculation will be done and based on that information, BOR will be consulted for a recommendation as to the best procedure for corrective action.

2. A. Recommendation:

We recommend that the Department make cost adjustments for \$1,067.61 claimed outside the project period on project #30-00230.

B. Partially agree.

C. Corrective Action:

Pre-agreement costs of \$1,005 (rather than the \$1,007.72 charged to the project) were identified on the cost breakdown submitted with the project proposal. An application to amend the project scope to include pre-agreement costs in the amount of \$1,007.72 will be made to BOR. The \$59.89 overhead amount problem will be eliminated with the \$1,007.72 adjustment.

3. A. Recommendation:

We recommend that the Department make cost adjustments of \$11,955 for program income not credited to project 30-00318.

B. Disagree.

C. The Mt. Haggin property was purchased exclusive of the grazing lease in question. Nature Conservancy at a later date transferred their interests in the lease to the Department voluntarily and under no legal obligation; therefore, it is the Department's position that the funds from the lease were a donation to the Department, not income from the project.

4. A. Recommendation:

We recommend that the Department make cost adjustments of \$126.21 resulting from overcharging salaries and fringe benefits to projects 30-00355 and 30-00214.

B. Agree.

C. Corrective Action:

An adjustment will be made to a future billing.

5. A. Recommendation:

We recommend that the Department account for all Bureau of Outdoor Recreation project costs on the Statewide Budgeting and Accounting System.

B. Agree.

C. Corrective Action:

Not all of the financial information currently required by BOR is presently available through the State of Montana Statewide Budgeting and Accounting System (SBAS). However, after July 1, 1978 the required financial information can be provided due to several improvements in SBAS. At that time, BOR project cost accounting will be shifted to SBAS.

6. A. Recommendation:

We recommend that the Department require all project sponsors to post proper project acknowledgement signs.

B. Agree.

C. Corrective Action:

All the projects listed have been given signs by Department of Fish and Game staff. It is impossible to prevent occasional vandalism or removal of signs after they are up. The Department has and will continue to make a strong effort

to comply with this requirement.

7. A. Recommendation:

We recommend that the Department require Land and Water Conservation Fund assisted projects be accessible to and usable by the physically handicapped.

B. Agree.

C. Corrective Action:

The restroom problem has been taken care of somewhat in that all state projects must now consider the handicapped. As for swimming pools, there are no specifications or guidelines. The Regional HCRS office agrees there are no federal guidelines for any facilities other than the support facilities. The Department must have information as to what is required before it should be expected to comply.

8. A. Recommendation:

We recommend that the Department adjust their present depreciation rates to more realistically consider trade-in values.

B. Agree.

C. Corrective Action:

The Department will establish, through costly computer programming, a system of charging a reduced depreciation rate after a vehicle has reached its maximum expected number of miles. The vehicle in the example was driven many miles beyond its expected 65,000 mile life expectancy thus depreciation continued on a straight line basis beyond what it was expected to be traded in for.

9. A. Recommendation:

We recommend that the Department determine vehicle use rates based upon actual acquisition and operating costs.

B. Agree.

C. Corrective Action:

The Department will eliminate the present unauthorized replacement factor from its future vehicle mileage rates.

10. A. Recommendation:

We recommend that the Department:

1. Centralize its mail opening function, and
2. Forward all checks and cash directly to the cashier.

B. Partially agree.

C. Corrective Action:

The Department will advise agencies currently sending checks to the Department to address such cash items to the attention of the cashier. Due to possible problems with Federal Postal Service law, items addressed to specific individuals will not be opened centrally. The Department's staff attorney will be advised to require any future lease payments or other contractual payments be mailed directly to the cashier's office. Due to heavy volume, special licensing applications will be forwarded by the mailroom to the special license section unopened; special licensing staff will forward checks and cash to the cashier as soon as envelopes are opened.

11. A. Recommendation:

We recommend that the Department:

1. Require time records to be completed in ink, and
2. Prohibit changes being made to time records after they are submitted by employees.

B. Agree.

C. Corrective Action:

Fish and Game field personnel have been advised to fill out timerolls and

leave of absence forms in ink. Payroll personnel have been advised they are not authorized to make any changes to time records. These actions were completed in March 1978.

12. A. Recommendation:

We recommend that someone other than the payroll supervisor distribute payroll warrants.

B. Agree.

C. Corrective Action:

The payroll supervisor no longer hands out pay checks at the Helena headquarters location. This change was implemented in March 1978.

13. A. Recommendation:

We recommend that the Department record CETA reimbursement as income rather than as expenditure abatements.

B. Agree.

C. Corrective Action:

The Department discontinued this practice in November, 1977.

